



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - Public distribution

Date: 11/30/2007

GAIN Report Number: TW7041

Taiwan

Grain and Feed

Update on Public Rice Tender-Normal Tender 2007

Approved by:

Alan Hallman
American Institute in Taiwan

Prepared by:

Chiou Mey Perng

Report Highlights:

Australia has formally informed Taiwan that they will no longer be able to participate in rice tenders for 2007 import quota, and Taiwan is tendering the remaining 16,331 tons of Australian quota on a global basis. In addition, 5,000 tons of U.S. quota failed three tendering processes and has been scheduled for December 20 bidding on a global basis. Taiwan has completed 12 percent of the total 2007 import quotas under normal tender scheme, 41 percent has been scheduled, and the remaining 47 percent has yet to be scheduled for tendering.

Includes PSD Changes: No
Includes Trade Matrix: No
Annual Report
Taipei [TW1]
[TW]

November 29 Update on Public Rice Tender for 2007 Import Quota

A. Summary

As of the reporting date, Taiwan has completed tenders for 12 percent of the 2007 normal public sector import quota, has scheduled tenders for another 41 percent, and the remaining 47 percent has yet to be scheduled for tendering. The total quota under the normal tender scheme is 74,068 tons. Taiwan has awarded and contracted for 7,150 tons of U.S. origin and 1,150 tons of Thai rice, and it seems unlikely that Taiwan will complete the tendering process by the end of 2007.

Australia has formally informed Taiwan that they will no longer be able to participate in rice tenders for 2007 import quota. 16,331 tons Australian rice quota will be tendered on a global basis. In addition, 5,000 tons of earlier allocated to U.S. quota failed after three tendering processes has been scheduled for December 20 bidding on a global basis. While the specifications on the U.S. quota rice remain unchanged, those on the Australian rice have been modified to favor long grain rice suppliers. Thailand historically supplies long grain rice to Taiwan and Taiwan imports of U.S. long grain rice are currently suspended due to the LL601 issue.

B. Update on First Batch Normal Tender

1. GF4-960-165 for U.S. origin medium/short grain brown rice.

The first tendering process was held on October 19. The tender failed because offered bidding prices were all exceeded the COA pre-set ceiling price, with lowest offered bidding price at NT\$19,988.5/mt or \$613/mt. Quoted exchange rate is \$1 = NT\$32.60.

The second tendering process was held on November 13. Taiwan awarded 4,000 tons to one U.S. importer out of three bidding participants at NT\$19,754/mt or \$612/mt. Quoted exchange rate is \$1=NT\$32.29.

The third tendering process for the remaining 7,000 tons U.S. origin medium/short grain brown rice was held on November 29. Only 2,000 tons was awarded to one US importer at NT\$19,895/mt or \$616/mt. Quoted exchange rate is \$1= NT\$32.38. The remaining 5,000 tons has been scheduled for December 20 bidding on a global basis.

2. GF4-960-166 for Australia origin 10,000 tons medium/short grain brown rice

The first tendering and second tendering process were scheduled for October 19 and November 13, respectively. Participations in both tendering processes were absent. According to Council of Agriculture (COA), Australia had officially informed Taiwan that they are no longer able to participate in rice tenders for 2007 import quota because of a shortage. These 10,000 tons hence are opened for global quota as the following.

And, Taiwan has announced the following four reallocated global quota tenders.

GF4-960-234 for 2,000 tons Long grain milled glutinous rice- global
GF4-960-235 for 2,000 tons long grain milled rice-global
GF4-960-236 for 2,000 tons long grain fragrance milled rice-global
GF4-960-237 for 3,000 tons medium/short milled rice-global

These four tenders are scheduled for December 12 for price bids.

The tender specifications for rice types are not staying the same as earlier announced medium/short grain. According to the Agriculture and Food Agency of the Council of Agricultural (AFA/COA), a status of dropout tender participation is different from of tender failure based on three tendering processes mechanism, therefore these earlier announced tender quotas are subject to tendering on a MFN basis and not limited to re-tender under the earlier announced tender specifications on rice type. Thus, Taiwan is allocating the Australia rice quota to various types of rice.

C. Completion of the Second Batch Normal Tender

On November 6, Taiwan announced two tenders, 1,000 tons each for U.S. and Thai origins. Both tenders completed on November 22 at the first tendering process, with details below.

1. GF4-960180 for 1,000 tons U.S. origin short grain milled glutinous.

On November 22, Taiwan awarded 700 ton and 300 tons to two respective U.S. rice importers at the same price level of NT\$26,650/mt or \$824/mt. A total of four importers participated in the bids. Quoted exchange rate is \$1 = NT\$32.348.

2. GF4-960200 for 1,000 tons Thai origin long grain milled glutinous rice.

On November 22, Taiwan successfully awarded 1,000 tons of long grain glutinous milled rice quota to one out of two bidding participants at NT\$22,095/mt or \$683/mt. Quoted exchange rate is \$1 = NT\$32.348.

D. Announcement of the Third Batch Normal Tender

On November 22, Taiwan announced two new tenders for U.S. origin medium/short grain and its first tendering process is scheduled for December 11.

1. GF4-960226 for 13,000 tons U.S. origin medium/short grain brown rice.

Crop Year: 2007

Technical Tender: December 6

Price Tender: December 11

Delivery Term: Delivered to the designated COA warehouses by April 30, 2008.

2. GF4-960227 for 2,000 tons U.S. origin medium/short grain milled rice (brown equivalent 2,300 tons)

Crop Year: 2007

Technical Tender: December 6

Price Tender: December 11

Delivery Term: Delivered to the designated COA warehouses by April 30, 2008.

E. To-be Announced Tender Quotas

1. 5,981 tons-global basis
2. 14,150 tons-US origin
3. 14,987 tons-US origin

Table 1 – Summary Tender Schedule & Results

| Tender Type | Tendering Process | Tender Number and Country Origin |
|-------------------------------------|--|---|
| SBS-1 | March 28 May 9 | GF4-960-291 for 9,100 tons-Global |
| SBS-2 (CSQ) | Completed at the 1 st process held on September 27 | GF4-960-102 for 6,347 tons-Thailand |
| | Completed at the 2 nd process held on October 5 | GF4-960-139 for 2,258 tons-Egypt |
| | Portion of the quota awarded at the 2 nd process held on October 5 and Completed at the 3 rd process held on October 17 | GF4-960-140 for 1,795 tons-USA |
| | 40 tons awarded at the 3 rd process held on October 17, see tender NO. GF4-960-141-1 for the remaining 460 tons on global | GF4-960-141 for 500 tons-Australia (40 tons on Australia, 460 tons on global) |
| | Completed on November 6 | *GF4-960-141-1 for 460 tons-Global |
| Total SBS Quota: 20,000 tons | | |
| Normal-1 (CSQ) | October 19 (Zero tons awarded) November 13 (4,000 tons awarded) November 29 (2,000 tons awarded and failed 5,000 tons on global See Tender No.GF4-960- | GF4-960-165 for 11,000 tons medium/short brown-USA GF4-960-165-1 for 11,000 tons medium/short brown-USA GF4-960-165-2 for 7,000 tons medium/short brown-USA |

| | | |
|---|--|---|
| | xxx) | |
| | Australia notified Taiwan for giving up its quota rights after the 2 nd process held on November 13 and the quota has been transferred into global quota See tender No. GF4960-234 to GF4-960-237 | *GF4-960-166 for 10,000 tons medium/short brown Australia |
| | December 12 | GF4-960-234 for 2,000 tons Long grain milled glutinous rice (2,300 tons on brown)- global |
| | December 12 | GF4-960-235 for 2,000 tons long grain milled rice (2,300 tons on brown)-global |
| | December 12 | GF4-960-236 for 2,000 tons long grain fragrance milled rice (2,300 tons on brown)-global |
| | December 12 | GF4-960-237 for 3,000 tons of medium/short milled rice (3,450 tons on brown)-global |
| | December 20 | *GF4-960-xxx for 5,000 tons of medium/short grain brown rice-global |
| Normal-2 | November 22 (completed) | GF4-960-180 for 1,000 tons short grain glutinous milled rice (1,150 tons on brown)-USA |
| | November 22 (completed) | GF4-960200 for 1,000 tons long grain milled glutinous rice (1,150 tons on brown)-Thai |
| Normal-3 | December 11 | GF4-960-226 for 13,000 tons medium/short brown rice-USA |
| | December 11 | GF4-960-227 for 2,000 tons medium/short milled (2,300 tons on brown)-USA |
| | TBD | *5,981 tons, originally allocated to Australia, on global |
| | TBD | 14,150 tons-USA |
| | TBD | 14,987 tons-USA |
| Total Normal Quota: 74,068 tons | | |
| Total Public Rice Quota: 94,068 tons | | |